
PRELIMINARY DRAFT
No. 3298

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2008 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 5-10-8-14; IC 27-8-24.2; IC 27-13-7-19.

Synopsis: Coverage for prosthetic devices. Requires a state employee health benefit plan, a policy of accident and sickness insurance, and a health maintenance organization contract to provide prosthetic device coverage.

Effective: July 1, 2008.



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-10-8-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 14. (a) As used in this section, "covered individual" means an individual who is entitled to coverage under a state employee health benefit plan.**

(b) As used in this section, "prosthetic device" means an artificial medical device that is not surgically implanted and that is used to replace a missing limb, appendage, or other external human body part. The term does not include the following:

(1) Artificial eyes, artificial ears, artificial fingers, artificial toes, or dental appliances.

(2) Cosmetic devices such as artificial breasts, artificial eyelashes, or wigs.

(3) Other devices that do not have a significant impact on the musculoskeletal functions of the body.

(c) As used in this section, "state employee health benefit plan" means a:

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter; to provide group health coverage.

(d) A state employee health benefit plan must provide the following:

(1) For a covered individual who is less than eighteen (18) years of age, prosthetic device coverage of at least ten thousand dollars (\$10,000) per year.

(2) For a covered individual who is at least eighteen (18) years of age, prosthetic device coverage of at least ten thousand dollars (\$10,000) during a three (3) year period.

(e) The coverage required under this section may not be subject



to dollar limits, deductibles, copayments, or coinsurance provisions that are less favorable to a covered individual than the dollar limits, deductibles, copayments, or coinsurance provisions applying to other coverage generally under the state employee health benefit plan.

SECTION 2. IC 27-8-24.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 24.2. Coverage for Prosthetic Devices

Sec. 1. As used in this chapter, "insured" means an individual who is entitled to coverage under a policy of accident and sickness insurance.

Sec. 2. (a) As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

(b) The term does not include the following:

- (1) Accident only, credit, dental, vision, Medicare, Medicare supplement, long term care, or disability income insurance.
- (2) Coverage issued as a supplement to liability insurance.
- (3) Automobile medical payment insurance.
- (4) A specified disease policy.
- (5) A limited benefit health insurance policy.
- (6) A short term insurance plan that:
 - (A) may not be renewed; and
 - (B) has a duration of not more than six (6) months.
- (7) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.
- (8) Worker's compensation or similar insurance.
- (9) A student health insurance policy.

Sec. 3. (a) As used in this chapter, "prosthetic device" means an artificial medical device that is not surgically implanted and that is used to replace a missing limb, appendage, or other external human body part.

(b) The term does not include the following:

- (1) Artificial eyes, artificial ears, artificial fingers, artificial toes, or dental appliances.
- (2) Cosmetic devices such as artificial breasts, artificial eyelashes, or wigs.
- (3) Other devices that do not have a significant impact on the musculoskeletal functions of the body.

Sec. 4. A policy of accident and sickness insurance must provide the following:

- (1) For an insured who is less than eighteen (18) years of age, prosthetic device coverage of at least ten thousand dollars (\$10,000) per year.
- (2) For an insured who is at least eighteen (18) years of age,



1 prosthetic device coverage of at least ten thousand dollars
2 (\$10,000) during a three (3) year period.

3 **Sec. 5.** The coverage that must be provided under this chapter
4 may not be subject to dollar limits, coinsurance, or deductibles that
5 are less favorable to an insured than the dollar limits, coinsurance,
6 or deductibles that apply to other coverage under the policy of
7 accident and sickness insurance.

8 SECTION 3. IC 27-13-7-19 IS ADDED TO THE INDIANA CODE
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
10 1, 2008]: **Sec. 19. (a)** As used in this section, "prosthetic device"
11 means an artificial medical device that is not surgically implanted
12 and that is used to replace a missing limb, appendage, or other
13 external human body part.

14 **(b)** The term does not include the following:

15 (1) Artificial eyes, artificial ears, artificial fingers, artificial
16 toes, or dental appliances.

17 (2) Cosmetic devices such as artificial breasts, artificial
18 eyelashes, or wigs.

19 (3) Other devices that do not have a significant impact on the
20 musculoskeletal functions of the body.

21 **(c)** An individual contract or a group contract must provide the
22 following:

23 (1) For an enrollee who is less than eighteen (18) years of age,
24 prosthetic device coverage of at least ten thousand dollars
25 (\$10,000) per year.

26 (2) For an enrollee who is at least eighteen (18) years age,
27 prosthetic device coverage of at least ten thousand dollars
28 (\$10,000) during a three (3) year period.

29 **(d)** The coverage that must be provided under this section may
30 not be subject to dollar limits, copayments, or deductibles that are
31 less favorable to an enrollee than the dollar limits, copayments, or
32 deductibles that apply to other coverage under the individual
33 contract or group contract.

34 SECTION 4. [EFFECTIVE JULY 1, 2008] **(a)** IC 5-10-8-14, as
35 added by this act, applies to a state employee health benefit plan
36 that is established, entered into, delivered, amended, or renewed
37 after June 30, 2008.

38 **(b)** IC 27-8-24.2, as added by this act, applies to a policy of
39 accident and sickness insurance that is issued, delivered, amended,
40 or renewed after June 30, 2008.

41 **(c)** IC 27-13-7-19, as added by this act, applies to an individual
42 contract or a group contract that is entered into, delivered,
43 amended, or renewed after June 30, 2008.

